

Transportation Funding Policy Recommendations

There is a need to create a new, coherent, and consistent transportation funding policy in Georgia. The promotion of economic development, environmental sustainability, air quality and safety underpin any successful policy.

I. Create new transportation funding mechanisms.

- a. Enable a new sales tax funding mechanism that would be dedicated to providing congestion relief, improving air quality and promoting environmentally responsible economic development for all regions of the state. Such a funding mechanism should recognize the unique transportation needs across the state, include all modes of transportation, and ensure transportation dollars are allocated efficiently and effectively based on need. Consideration should be given to the impact of any sales tax mechanism on certain items to ensure the continued economic competitiveness of those items.

II. Optimize current revenue sources.

- a. Allocate fourth percent of state sales tax user fee on motor fuel to all transportation purposes, including operating expenses for transit. (approx. \$156 million in Fiscal Year 2007)
- b. Create and capitalize a State Transportation Infrastructure Fund to allow local governments to leverage existing revenues.
- c. Dedicate state sales tax user fee on aviation fuel to airport improvements. (estimated \$70 million)
- d. Implement primary seat belt law requiring use in all vehicles (approx \$20.7 million federal)
- e. Evaluate the practice of using an ever-increasing portion of motor fuel tax revenues to pay for bonds sold to finance transportation construction and maintenance. While debt financing is an important and legitimate means for funding transportation projects, over-reliance on motor fuel tax revenue to pay outstanding debt today limits the ability to use this user fee revenue for federal matching or pressing state and local needs in the future.
- f. Require state agencies to identify duplicative programs and services and evaluate consolidation of these programs (e.g., job training programs,

educational transportation, safety programs, human services/aging programs, non-emergency medical transportation) in order to maximize the return of state spending on transportation services delivery and activities.

III. Invest in transit and transportation options for all Georgians.

- a. Permit an individual income tax credit for qualified public transit expenses.
- b. Extend the sunset date for transit vehicles' motor fuel tax exemption. (Benefit = \$2 million)
- c. Donate land the state owns for the Beltline to Atlanta.
- d. Adequately fund the Rail Section of the Office of Intermodal Programs within GDOT to ensure that infrastructure improvements are conducted on railroads in a timely manner for economic development and safety purposes.
- e. Enhance incentives and strategies that will reduce congestion and make more efficient use of Georgia's transportation investments. This includes incentives for carpooling and vanpools, teleworking credits, accommodations for bicycle and pedestrian commuters, flex work hours and congestion pricing.

IV. Support innovative funding programs.

- a. Aggressively pursue private sector investment opportunities. However, recognize that private investment alone cannot comprehensively address Georgia's near-term transportation needs. Private investment must complement other funding resources and strategies, be part of a comprehensive regional or statewide transportation plan, and not supplant any current or potential new transportation funds.
- b. Improve the ability of Community Improvement Districts (CIDs) to successfully partner with and leverage state and federal dollars to advance construction of transportation infrastructure projects.